

EXECUTIVE ORDER NO. 13- 10

WHEREAS, under chapter 89C of the Hawaii Revised Statutes (HRS), the Governor is granted the authority to make adjustments to the wages, hours, benefits, and other terms and conditions of employment for elected and appointed officials, and employees in the Executive Branch who are excluded from collective bargaining coverage; and

WHEREAS, for excluded employees who are civil service employees under the same classification systems as employees within collective bargaining units, HRS chapter 89C requires that the adjustments be “not less than” those provided under the collective bargaining agreements for employees hired on a comparable basis; and

WHEREAS, HRS chapter 89C also requires that the adjustments for excluded civil service employees result in compensation and benefit packages that are “at least equal to” the compensation and benefit packages provided under collective bargaining agreements for counterparts and subordinates within the Employer’s jurisdiction; and

WHEREAS, HRS chapter 89C provides that each appropriate authority shall determine the adjustments that are relevant for their respective excluded employees who are exempt from civil service in consideration of the compensation and benefit packages provided for other employees in comparable agencies; and

WHEREAS, the State, Judiciary, Hawai’i Health Systems Corporation, and City and County of Honolulu have entered into tentative agreements with the United Public Workers (UPW), as the exclusive representatives for Bargaining Unit (BU) 10 for the July 1, 2013 through June 30, 2017 collective bargaining agreement; and

WHEREAS, consistent with the agreed upon terms and conditions, the Director of Human Resources Development has recommended to the Governor the adjustments specified in this Executive Order for elected and appointed officials and employees within the executive branch who are excluded from BU 10;

NOW, THEREFORE, I, Neil Abercrombie, Governor of Hawai'i, pursuant to my executive authority under articles V and VII of the Constitution of the State of Hawai'i, the provisions of chapters 37 and 89C of the HRS, and all other applicable authority, do hereby order, effective July 1, 2013 through June 30, 2017, the following for the aforementioned groups of employees:

Wages – See Attachment A

Benefit Plans – See Attachment B

IT IS FURTHER ORDERED that this Executive Order does not apply to: (1) employees of public charter schools and the Department of Education; (2) the University of Hawai'i; (3) employees hired for 89 days or less; and (4) those Executive Branch employees who I later determine shall not receive the aforementioned adjustments;

IT IS FURTHER ORDERED that this Executive Order is not intended to create, and does not create, any rights or benefits, whether substantive or procedural, or enforceable at law or in equity, against the State of Hawai'i or its agencies, departments, entities, employees, or any other person;


IT IS FURTHER ORDERED that these provisions are subject to amendment by Executive Order.

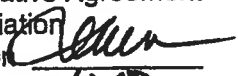

The Director of Human Resources Development shall be responsible for the uniform administration of this Executive Order and is authorized to make any interpretations concerning the applicability of this Executive Order to employees of the State Executive Branch who are excluded from collective bargaining coverage.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 6th day of
November, 2013


NEIL ABERCROMBIE
Governor

APPROVED AS TO FORM:


DAVID M. LOUIE
Attorney General

Bargaining Unit 10
Tentative Agreement
Mediation
Union 
Employer 
Date 8/21/13

1 *Delete existing language in its entirety and replace with the following:*

2
3 **SECTION 23. WAGES.**

4
5 **23.01 PREFIX DESIGNATION.**

6 The pay grades of Institutional, Health and Correctional salary
7 schedules shall have a prefix designation of AM, CO and HE and
8 designated on three (3) separate salary schedules.

9
10 **23.02 SALARY ADJUSTMENTS.**

11 Subject to the approval of the respective legislative bodies:

12
13 **23.02 a.** Effective July 1, 2013, all Employees below the maximum step Z2
14 shall move to the next higher step in their respective pay range of
15 the June 30, 2013 salary schedule.

16
17 Effective July 1, 2013, the Institutional, Health and Correctional
18 salary schedules in effect on June 30, 2013 shall reflect the
19 elimination of the minimum step 01. Such schedules shall be
20 designated as Exhibit 1, Exhibit 2, and Exhibit 3. Employees shall
21 be assigned from their existing pay range and step to the
22 corresponding pay range and step in Exhibit 1, Exhibit 2, or
23 Exhibit 3.

24
25 Effective July 1, 2013, Employees who are at the maximum step Z2
26 as of June 30, 2013 and Employees not administratively assigned
27 to the salary schedule shall receive a one-time lump sum payment
28 equivalent to four percent (4%) of the individual employee's annual

1 basic rate of pay. Employees who are less than full-time shall
2 receive a prorated amount of this lump sum payment.

3
4 **23.02 b.** Effective January 1, 2014, Exhibit 1, Exhibit 2, and Exhibit 3 shall
5 reflect a three-tenths of one percent (.3%) per month across-the-
6 board increase and be designated as Exhibit 1-A, Exhibit 2-A, and
7 Exhibit 3-A, respectively. Employees shall then be placed on the
8 corresponding pay range and step of the respective salary
9 schedule.

10
11 Effective January 1, 2014, Employees not administratively assigned
12 to the salary schedule shall receive a three-tenths of one percent
13 (.3%) per month increase.

14
15 **23.02 c.** Effective July 1, 2014, all Employees below the maximum step Z2
16 shall move to the next higher step in their respective pay range of
17 the Exhibit 1-A, Exhibit 2-A, or Exhibit 3-A.

18
19 Effective July 1, 2014, the Institutional, Health and Correctional
20 salary schedules in effect on June 30, 2014 shall reflect the
21 elimination of the minimum step 02 and shall be designated as
22 Exhibit 1-B, Exhibit 2-B, and Exhibit 3-B. Employees shall be
23 assigned from their existing pay range and step to the
24 corresponding pay range and step in Exhibit 1-B, Exhibit 2-B, or
25 Exhibit 3-B.

26
27 Effective July 1, 2014, Employees who are at the maximum step Z2
28 as of June 30, 2014 and Employees not administratively assigned
29 to the salary schedule shall receive a one-time lump sum payment
30 equivalent to four percent (4%) of the individual employee's annual

1 basic rate of pay. Employees who are less than full-time shall
2 receive a prorated amount of this lump sum payment.

3
4 **23.02 d.** Effective January 1, 2015, Exhibit 1-B, Exhibit 2-B, and Exhibit 3-B
5 shall reflect a five-tenths of one percent (.5%) per month across-
6 the-board increase and be designated as Exhibit 1-C, Exhibit 2-C,
7 and Exhibit 3-C, respectively. Employees shall then be placed on
8 the corresponding pay range and step of the respective salary
9 schedule.

10
11 Effective January 1, 2015, Employees not administratively assigned
12 to the salary schedule shall receive a five-tenths of one percent
13 (.5%) per month increase.

14
15 **23.02 e.** The parties agree to make certain technical adjustments to the
16 salary schedules to address instances where Employees below the
17 maximum step Z2 move to the next higher step but would not
18 otherwise realize an increase in their base pay.

19
20 Effective July 1, 2015, all Employees below the maximum step Z2
21 shall move to the next higher step in their respective pay range of
22 the Exhibit 1-C, Exhibit 2-C, or Exhibit 3-C.

23
24 Effective July 1, 2015, the Institutional, Health and Correctional
25 salary schedules in effect on June 30, 2015 shall reflect the
26 elimination of the minimum step 03 and the remaining three (3)
27 Steps 04, Z1 and Z2 shall be renamed to Steps A, B and C,
28 respectively. Such amended salary schedules shall be designated
29 as Exhibit 1-D, Exhibit 2-D, and Exhibit 3-D. Employees shall be
30 assigned from their existing pay range and step to the

1 corresponding pay range and step in Exhibit 1-D, Exhibit 2-D, or
2 Exhibit 3-D.

3
4 Effective July 1, 2015, Employees who are at the maximum step Z2
5 as of June 30, 2015 and Employees not administratively assigned
6 to the salary schedule shall receive a one-time lump sum payment
7 equivalent to four percent (4%) of the individual employee's annual
8 basic rate of pay. Employees who are less than full-time shall
9 receive a prorated amount of this lump sum payment.

10
11 **23.02 f.** Effective January 1, 2016, Exhibit 1-D Exhibit 2-D, and Exhibit 3-D
12 shall reflect a five-tenths of one percent (.5%) per month across-
13 the-board increase and be designated as Exhibit 1-E, Exhibit 2-E,
14 and Exhibit 3-E, respectively. Employees shall then be placed on
15 the corresponding pay range and step of the respective salary
16 schedule.

17
18 Effective January 1, 2016, Employees not administratively assigned
19 to the salary schedule shall receive a five-tenths of one percent
20 (.5%) per month increase.

21
22 **23.02 g.** Effective July 1, 2016, all Employees who are employed as of
23 June 30, 2016 and who are below the maximum step C shall move
24 to the next higher step in their respective pay range of the
25 Exhibit 1-E, Exhibit 2-E, or Exhibit 3-E.

26
27 Effective July 1, 2016, Employees who are at the maximum step C
28 as of June 30, 2016 and Employees not administratively assigned
29 to the salary schedule shall receive a one-time lump sum payment
30 equivalent to four percent (4%) of the individual employee's annual

1 basic rate of pay. Employees who are less than full-time shall
2 receive a prorated amount of this lump sum payment.

3
4 **23.02 h.** Effective January 1, 2017, Exhibit 1-E Exhibit 2-E, and Exhibit 3-E
5 shall reflect a one percent (1%) per month across-the-board
6 increase and be designated as Exhibit 1-F, Exhibit 2-F and Exhibit
7 3-F, respectively. Employees shall then be placed on the
8 corresponding pay range and step of the respective salary
9 schedule.

10
11 Effective January 1, 2017, Employees not administratively assigned
12 to the salary schedule shall receive a one percent (1%) per month
13 increase.

Bargaining Unit 10
 Tentative Agreement
 Mediation
 Union *[Signature]*
 Employer *[Signature]*
 Date 8/21/13

SECTION 62
BENEFIT PLANS

Delete the existing language in this section in its entirety and replace with the following:

A. "Health Benefit Plan" shall mean the medical PPO or HMO, prescription drug, dental, vision, and dual coverage medical plans.

B. "Prevalent PPO Primary Medical Benefit Plan" shall mean the primary medical benefit PPO plan as determined by the EUTF Board of Trustees to have the largest number of total active Employee enrollments as of December 31 of the previous fiscal year.

C. Effective July 1, 2013

Subject to the applicable provisions of Chapters 87A and 89, Hawaii Revised Statutes, the Employer shall pay monthly contributions which include the cost of the Hawaii Employer-Union Health Benefits Trust Fund (Trust Fund) administrative fees to the Trust Fund effective July 1, 2013, not to exceed the monthly contribution amounts as specified below:

1. For each Employee-Beneficiary with no dependent-beneficiaries enrolled in the following Trust Fund health benefit plans:

<u>BENEFIT PLAN</u>	<u>TOTAL MONTHLY CONTRIBUTION</u>

a. Medical (PPO or HMO) (medical & chiro) \$208.38

b. Dental		\$18.36
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c. Vision	\$3.62
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d. Dual coverage (medical, drug, chiro):

(1)HMSA	\$136.94
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(2) Royal State	\$26.54
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e. Drug Plan	\$42.60
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The Employer shall pay the same monthly contribution for each member enrolled in a self only medical plan (PPO or HMO), regardless of which plan is chosen.

2. For each Employee-Beneficiary with one dependent-beneficiary enrolled in the following Trust Fund health benefit plans:

	<u>TOTAL</u>
<u>BENEFIT PLAN</u>	<u>MONTHLY</u>
	<u>CONTRIBUTION</u>

a. Medical (PPO or HMO) (medical & chiro) \$505.10

b. Dental		\$36.72
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c. Vision	\$6.68
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d. Dual coverage (medical, drug, chiro)

(1)HMSA	\$331.64
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(2) Royal State \$65.28

e. Drug Plan \$103.34

The Employer shall pay the same monthly contribution for each member enrolled in a two-party medical plan (PPO or HMO), regardless of which plan is chosen.

3. For each Employee-Beneficiary with two or more dependent-beneficiaries enrolled in the following Trust Fund health benefit plans:

<u>BENEFIT PLAN</u>	<u>TOTAL MONTHLY CONTRIBUTION</u>
a. Medical (PPO or HMO) (medical & chiro)	\$644.28
b. Dental	\$60.36
c. Vision	\$8.76
d. Dual coverage (medical, drug, & chiro)	
(1)HMSA	\$423.16
(2) Royal State	\$73.76
e. Drug Plan	\$131.82

The Employer shall pay the same monthly contribution for each member enrolled in a family medical plan (PPO or HMO), regardless of which plan is chosen.

1
2 4. For each Employee-Beneficiary enrolled in the Trust Fund group life
3 insurance plan, the Employer shall pay \$ 4.16 per month which
4 reflects one hundred percent (100%) of the premium and
5 administrative fee.

6
7 D. Effective July 1, 2014
8

9 Effective July 1, 2014 for plan year 2014-2015, with the exception of item
10 D.4., which shall be the dollar amounts noted, the Employer shall pay a specific
11 dollar amount equivalent to sixty percent (60%) of the final premium rates
12 established by the Trust Fund Board for the respective health benefit plan, plus
13 sixty (60%) of all administrative fees
14

15 1. The amounts paid by the Employer shall be based on the plan year
16 2014-2015 final monthly premium rates established by the Trust
17 Fund for each Employee-Beneficiary with no dependent-
18 beneficiaries enrolled in the following Trust Fund health benefit
19 plans:

20
21 a. Medical (PPO or HMO) (& chiro)

22 b. Dental

23 c. Vision

24 d. Dual coverage (medical, drug, & chiro)

25 (1) HMSA

26 (2) Royal State

27 e. Drug Plan
28

29 The Employer shall pay based on the Prevalent PPO primary
30 medical benefit plan the same monthly contribution for each member
31 enrolled in a self only medical plan (PPO or HMO), regardless of

1 which plan is chosen.

2
3 2. The amounts paid by the Employer shall be based on the plan
4 year 2014-2015 final monthly premium rates established by the
5 Trust Fund for each Employee-Beneficiary with one dependent-
6 beneficiary enrolled in the following Trust Fund health benefit
7 plans:

8 a. Medical (PPO or HMO) (& chiro)

9 b. Dental

10 c. Vision

11 d. Dual coverage (medical, drug, & chiro)

12 (1) HMSA

13 (2) Royal State

14 e. Drug Plan

15
16 The Employer shall pay based on the Prevalent PPO primary
17 medical benefit plan the same monthly contribution for each
18 member enrolled in a two-party medical plan (PPO or HMO),
19 regardless of which plan is chosen.

20
21 3. The amounts paid by the Employer shall be based on the plan year
22 2014-2015 final monthly premium rates established by the Trust
23 Fund for each Employee-Beneficiary with two or more dependent-
24 beneficiaries enrolled in the following Trust Fund health benefit
25 plans:

26 a. Medical (PPO or HMO) (& chiro)

27 b. Dental

28 c. Vision

29 d. Dual coverage (medical, drug, & chiro)

30 (1) HMSA

31 (2) Royal State

1 e. Drug Plan

2
3 The Employer shall pay based on the Prevalent PPO primary
4 medical benefit plan the same monthly contribution for each member
5 enrolled in a family medical plan (PPO or HMO), regardless of which
6 plan is chosen.

7
8 4. For each Employee-Beneficiary enrolled in the Trust Fund group life
9 insurance plan, the Employer shall pay no more than \$4.12 per month
10 which reflects one hundred percent (100%) of the monthly premium.
11 The employer shall also pay one hundred percent (100%) of all
12 administrative fees.

13
14 E. No later than three (3) weeks after the Trust Fund Board formally
15 establishes and adopts the final premium rates for Fiscal Years 2014-
16 2015, the Office of Collective Bargaining shall distribute the final
17 calculation of the Employers' monthly contribution amounts for each health
18 benefit plan.

19
20 F. Payment For Plans Eliminated Or Abolished. The Employer shall make
21 no payments for any and all premiums for any portion or part of a Trust
22 Fund health benefit plan that the Trust Fund Board eliminates or
23 abolishes.

24
25 G. Rounding Employer's Monthly Contribution. Whenever the Employer's
26 monthly contribution (premium plus administrative fee) to the Trust Fund is
27 less than one hundred percent (100%) of the monthly premium amount,
28 such monthly contribution shall be rounded to the nearest cent as
29 provided below:

30
31 1. When rounding to the nearest cent results in an even amount, such

even amount shall be the Employer's monthly contribution. For example:

(a) \$11.397 = \$11.40 = \$11.40 (Employer's monthly contribution)

(b) \$11.382 = \$11.38 = \$11.38 (Employer's monthly contribution).

2. When rounding to the nearest cent results in an odd amount, round to the lower even cent, and such even amount shall be the Employer's monthly contribution. For example:

(a) \$11.392 = \$11.39 = \$11.38 (Employer's monthly contribution)

(b) \$11.386 = \$11.39 = \$11.38 (Employer's monthly contribution)

Employer contributions effective July 1, 2013 reflect the rounding described in item G.

Employer contributions effective July 1, 2014, shall be rounded as described in item G after administrative fees have been determined by the Trust Fund Board.

H. This Section may be reopened to determine the Employer contributions for the plan years 2015-2016 and 2016-2017 by giving written notice to the other party. This Section may be reopened by either Party on or about March 1, 2015, unless some other date is mutually agreed upon by the Parties.

In the event the Parties reach agreement on this reopened Section, such amended Section shall be effective no earlier than July 1, 2015, and shall remain in effect to and including June 30, 2017.

I. If an agreement covering period(s) beginning July 1, 2015 to June 30, 2017 is not executed by June 30, 2015, employer contributions to the Trust Fund shall be the same monthly contribution amounts paid in plan

1 year 2014-2015 for the Health Benefit Plan approved by the Trust Fund
2 including monthly administrative fees.

3
4 J. If an agreement covering periods beginning July 1, 2017 is not executed
5 by June 30, 2017, employer contributions to the Trust fund shall be the
6 same monthly contribution amounts paid in plan year 2016 -2017 for the
7 Health Benefit Plan approved by the Trust Fund including monthly
8 administrative fees.